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(Washington, DC) - Today, Congressman Russ Carnahan (MO-3) co-sponsored the Bailout Bonus Tax Bracket Act of 2009 offered by Congressman Steve Israel (NY-2) to tax TARP-taking company big bonuses, like those set to go to AIG executives, at 100%.

"Americans have a right to be angry with some in the banking industry and companies like AIG," said Congressman Carnahan. **"These extravagant bonuses are not acceptable and that's why I support Congressman Israel's bill to tax 100% of bonuses over \$100,000."**

"American families shouldn't be forced to reward these professional financial failures with extravagant bonuses that could buy fancy cars and yachts. AIG may not like it, but since they had to come to the federal government for help, the federal government now has a say in how they spend taxpayer money. If we can't kill the bonuses, we'll tax the bonuses," said Congressman Steve Israel.

"Taxpayers want us to get this money back," said Carnahan. **"This is a common-sense approach to address the greed and the recklessness that was involved, and to do it in a way that doesn't present legal problems surrounding already existing contracts."**

"I encourage the leaders of this industry, who have failed their employees, shareholders and the American public, to not underestimate the resolve of the United States Congress and to think long and hard before doling out additional bonuses," said Carnahan. **"If they excessively reward executives they can expect those bonuses to be taxed at 100%."**

Currently, the IRS withholds 25 percent from bonuses less than \$1 million and 35 percent for bonuses more than \$1 million dollars. The Bailout Bonus Tax Bracket Act of 2009, would tax bonuses over \$100,000 disbursed to employees of companies receiving TARP funds at 100%. Because bonuses are treated as taxable income, this bill applies a separate "Bonus Bailout" rate to the TARP bonus. Bonuses would be taxed beginning with those disbursed this year.